Earlier this year, the Congress voted overwhelmingly to pass comprehensive credit card reform legislation that was subsequently signed into law by President Obama. Unfortunately, the credit card companies have used the past few months to push through last-minute rate hikes and other unfair practices before the law kicks into gear. To address this problem, this bill simply moves up the effective date for the remaining credit card reforms from February 22, 2010, to December 1 of this year.

I want to thank Congresswoman MALONEY and Chairman FRANK for their leadership in expeditiously bringing this bill to the floor.

The actions of the credit card companies over the past few months have amply demonstrated that the American consumer needs quick relief from punitive and unfair credit card practices. The time to act on these important reforms is now. For too long, the credit card industry has been subject to too few regulations and far too little oversight.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume to close.

I want to begin by addressing the role of small business. The gentleman from Texas said this would be unfair to small business. The gentleman from Alabama said this credit card bill, the underlying bill and the speedup, would be a problem for small business.

On April 30 of this year when we voted on the underlying bill, we received the following letter from the National Federation of Independent Business, generally considered to be the most representative and forceful advocate for small businesses:

''On behalf of the NFIB, the Nation's leading small business advocacy organization, I urge you to support H.R. 627, the Credit Cardholders' Bill of Rights. While credit cards provide an important source of credit for many small business owners, our members are troubled by some of the business practices utilized by card companies.''

''H.R. 627 ends unfair penalties on cardholders who pay on time, requires 45 days' notice of interest rate increases, prohibits arbitrary interest rate increases, and establishes industrywide definitions for common terms to deter deceptive marketing advertising. These provisions can protect small business owners' credit by giving them enough notice to pay off debt and shop for competitive credit.''

''While our members favor the credit card reforms in H.R. 627, we are mindful that credit cards pay for approximately $1 of every $6 of sales small businesses make. We believe this legislation does not unduly punish credit card companies in these tough economic times but limits business practices that harm small business credit cardholders.''

I wonder how we could be told how bad this is for small business when the National Federation for Independent Business says it would, in fact, do exactly the opposite and protect credit cardholders.

We also heard, of course, some debate on other issues such as health care, and the gentleman from Alabama in particular blamed the Obama administration for bailouts. I don't want to dwell too much on things not before this bill, but let me reiterate a point that I do not think can be even debated, certainly not refuted. Every single activity of the Federal Government now being carried on that some people have characterized as a bailout was initiated by the administration of President George Bush. President Bush's Secretary of the Treasury and his chairman of the Council of Economic Advisers, his appointees, and the President himself were the ones who initiated the funding of AIG by the Federal Reserve. They came to us and asked for the TARP program. They were the ones who first gave money to General Motors and to Chrysler. There is literally nothing now going on called a bailout that the Obama administration did not inherit from George Bush.

Now, I suppose the Obama administration could have just pulled the plug on all these ongoing operations and caused chaos and blamed the previous administration. It did not do that. But literally everything going on now that is called a bailout is an inheritance from the Bush administration.

Now, the gentleman from Alabama also quoted the Federal Reserve in saying don't speed it up. And he said, well, people sometimes quote Mr. Bernanke one way or another. Well, he just did it. In the first place, the gentleman from Alabama and the gentleman from Texas have their major quarrel with the Federal Reserve because the Federal Reserve, on its own, under its regulatory power, promulgated regulations very similar to this bill. The sequence is interesting. The gentlewoman from New York, as she often is, was the first one out of the box on the consumer protection here, but after the gentlewoman from New York began discussions on this bill in our committee, the Federal Reserve moved.

So it seems odd to cite the Federal Reserve and say you believe them when they say there are difficulties in speeding it up when you are fundamentally opposed to the Federal Reserve's basic action here. The Federal Reserve agreed with this House that regulations were needed to protect consumers. It is a set of regulations promulgated by the Federal Reserve that are as strongly opposed by the other side as are our regulations.

By the way, in quoting the Federal Reserve even on the speedup, they did express some concerns. They also said, however, the board cannot predict how an effective date of December 1 would affect credit card interest rates and credit availability. However, moving the CARD Act's effective date to December 1, 2009, would mean that consumers would receive important benefits and protections earlier. So they invoke the Federal Reserve and they invoke small business despite the protestations of both of these organizations that they disagree fundamentally with the Republican position.

Now let's talk about substance. The single biggest piece of this—and they say it prevents the poor credit card companies, the poor beleaguered banks. They warned us that if we tried to stop them from behaving irresponsibly, they would speed irresponsible behavior. Yes, they did. But that should not be allowed to be a deterrent against stopping them from doing things.

And what this fundamentally does, the single best, biggest thing, is it says this: If you have used your credit card to buy things at a rate that you were told was binding and you have made all your payments on time for years and you have been running a credit card balance, as the credit card companies want you to do—I know if you have a credit card and you pay it off every month, they don't like that because they're not getting the interest. But at any rate, if you have fully complied with all the terms of the credit card and you have made purchases and incurred debt at a given interest rate and you have made every payment you were supposed to make on time, they have retained the right unilaterally and retroactively to raise the interest rate on what you already owe them. It is the single unfairest economic transaction I can think of that doesn't involve a pistol. The fact is that they decide they can make more money that way.

We're told they have to deal with risk management. What's the risk on debt already incurred on the part of someone who's always made the payments? This isn't risk management. This is hostage taking. This is raising money after the fact.

Now, it's true they told you that when they sent you the contract. It is true that if you have very good vision and a very high boredom threshold and nothing else to do but read pages and pages of small print, you might have figured that out if you spoke lawyerese. But for most people, the notion that you take your credit, you were told that this is the interest rate, you buy things at that interest rate, you incur debt, and they then say, oh, by the way, you know that rate that was at 8 percent, retroactively it's now 12 percent.

This bill doesn't prevent them from going forward with appropriate notice for raising rates. It absolutely does not. It says they can't do it retroactively and they have to give you some notice so they cannot trap you.

It also says that if you mail the bill at a certain time, you are not subject to their saying, oh, by the way, something happened to your payment, we don't know what, and you're going to have to pay extra. All the burden of any misplaced bill falls on you, the payer, not them, the payee.

Let me last say here's a problem. We have had a pattern of abuse. The National Federation of Independent Business and the Federal Reserve agreed with us that there was a pattern of abuse. Members on the other side said, oh, no, these credit card companies, wonderful people. They're just trying to help you out and they are simply trying to give you credit, and if they raise your rates retroactively, that's in your own best interest. Trust us. That's so you don't have to pay higher rates down the road.

So we said we're going to stop these practices. They then said you can't do it right away, it's very complicated, give us some time. So we gave them time, more than I wanted to at the time. They then used that time not to calibrate so they would be ready for the effective date but to start to jack up the rates.

But I reject the notion, first of all, that people who are engaging in abusive practices, as the credit card companies were, according to us, according to the National Federal of Independent Business, according to Federal Reserve, hardly radical Obamaistic organizations, they should not be allowed to stop it by saying but if you try to make things better, we're going to blow things up in advance. We should not give into those kinds of facts. In fact, I reject the notion that we caused any of this. Nothing they have done couldn't have been done without the bill, and they were doing it. All they did was to use this bill as an excuse for doing what they were trying to do anyway.

So we have here a reasonable bill that will prevent them from imposing things retroactively, that will require some notice going forward, that will fairly allocate the risk of a late payment, and that's what we are talking about. And we are talking about speeding up the date. They have many months to get ready for this.

And let me say this: They tell us, oh, my goodness, it's so hard to recalibrate. But you know what? They have very odd computers over there. Maybe they've got great software. They've got software that works perfectly when they want to raise rates, but if they want to hold rates constant, the software goes berserk. Maybe we can implore the software makers to give them some software that works both ways, because they are able to raise people's rates retroactively in violation of what people thought were their contractual rights, very quickly, but they aren't able to get ready to be giving people a 45-day notice before they raise their rates going forward. And the 45-day notice is so that you can say, okay, I will go through one more billing cycle and I don't want them anymore. I will go to shop. What we have here is what we had in April.

By the way, I don't want to be unfair to the entire Republican Party. Individual Members—it's okay, but not to the entire party. Many Republicans voted for this bill. Those who were speaking in opposition to it clearly were not representative of their whole party last time. And what we have, though, is the leadership from the Financial Services Committee of the Republican Party coming firmly to the defense of the credit card firms, telling us that what they were doing was out of economic necessity. They really don't want to raise these rates but they are just forced to do it by sound risk management.

We believe, along with the National Federation of Independent Business and the Federal Reserve and every consumer group that's looked at it, that exactly the opposite is the case. They have abused the time that they asked for because they said it was for getting ready and they used it to do precisely the things the bill will stop them from doing. I, therefore, very much hope that this bill is adopted.

Mr. Chairman, I yield back the balance of my time.

Mr. AL GREEN of Texas. Mr. Chair, I extend my support to H.R. 3639, the Expedited CARD Reform for Consumers Act of 2009, and thank my dear friend from New York, Ms. MALONEY, for introducing this important legislation, and Chairman FRANK for expediting it out of committee.

On May 22, 2009, President Obama signed into law the Credit Card Accountability, Responsibility, and Disclosure Act to protect consumers from the most egregious abuses that were being committed by credit card companies. Today, the important legislation before us readdresses this issue and proposes to move up the effective date of certain provisions of the Credit CARD Act to December 1, 2009. I would like to take this time now to express my support for the passage of this legislation.

Today, levels of consumer debt are at an all time high. The most recent data from the 2007 Survey of Consumer Finances shows that half of American families carried a balance on their credit cards and the average balance was $7,300. Add to this amount the debt secured by a primary residence or other consumer and installment loans, and the average American family is hard-pressed to meet these financial obligations.

Many of my colleagues here in Congress and I are concerned about how the current state of the economy is affecting the ability of ordinary Americans to service these high levels of debt. In September, the Bureau of Labor Statistics reported the American economy lost 260,000 jobs. Without work, most families could not afford to service these loans.

The days of easy and exotic credit are over. American families must work themselves out of debt and back into the black. We, as lawmakers, have been tasked with the job of enacting laws and enforcing fair rules that allow people to use credit cards and other financial services made available to them in a safe and responsible way. We are about to do just that today.

The Expedited CARD Reform for Consumers Act of 2009 is good policy for Americans everywhere. It fulfills our promise of establishing protections against abusive practices in the financial services industry and reaffirms our commitment to helping ordinary consumers responsibly manage their finances by ensuring that the choices available to them are fair and safe. I am proud to support H.R. 3639 and urge my colleagues to assure its passage.

Mr. HOLT. Mr. Chair, I rise today in strong support of the Expedited CARD Reform for Consumers Act of 2009, which would establish earlier effective dates for various consumer protections established by the Credit Card Accountability Responsibility and Disclosure Act, Credit CARD Act, enacted earlier this year. I commend Chairman FRANK and Ms. MALONEY for their leadership in bringing this bill to the floor today.

To be clear, my strong support does not stem from any concern that the implementation deadlines set forth in the Credit CARD Act as enacted were ill-conceived or too lax. Indeed, I assume we all thought they were reasonable, and most of us probably still do. What was unreasonable was the punitive, abusive, and—frankly—shameful behavior of some credit card issuers in the wake of enactment of the Credit CARD Act. I have been besieged with letters from outraged constituents, and I'd like to share some of those with you:

> Chase Bank . . . [just increased my interest rate] from 9.99% to 16.24% a 62.5% increase. They are making it harder and harder for Americans to pay-back our loans during this economic downturn. I have never missed a payment! . . . Please help!!!
>
> I just received a letter from my Citi Bank Master Card (which my husband and I always pay on time) stating that my interest rate is being raised to 29.99%. My research shows that Citi Bank is slipping this rate increase in before the new Credit Card Act takes effect. This is an outrage to so many people like myself.
>
> Most of the major banks have hiked interest rates on customers' balances, increased penalty fees or doubled minimum payments since the bill was passed in May. . . . The banks are using this lag time before the implementation date to sneak in as many rate hikes and new fees as possible, and countless good customers who pay on time each month are suffering.

I think a reality check is in order. The reality is that many credit card issuers have been abusing their customers. Had they been treating them fairly, there would have been no need for, and no call for, legislation to reign in and prohibit those abusive practices. Another reality is that many of those same credit card issuers behaved recklessly and imprudently, as a result of which they put their own survival in jeopardy and had to come to the American taxpayers hat in hand just to stay afloat. Had those financial institutions managed their own affairs responsibly, they wouldn't have had to rely on the good graces of hard working Americans to stay in business. So where does that leave us? They abused their customers, they compromised their own financial stability, they took their customers' charity to regain that stability, then they retaliated against their customers when the government stepped in told them they had to stop abusing their customers. The whole situation is just plain astounding.

Even so, it is always important to tailor one's response carefully to the actual facts and circumstances. For example, not all credit card issuers abused their customers in the first place. And not all credit card issuers retaliated against them in the wake of enactment of the Credit CARD Act. And as I noted previously, the original implementation deadlines